MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2210)

BGO 3124 – GLOBAL OPERATIONS MANAGEMENT

(All Sections / Groups)

8 FEBRUARY 2023
2.30 p.m. – 4.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **THREE** (3) pages with **FIVE** (5) questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given at the end of question.
3. Please write all your answers in the **Answer Booklet** provided.

POST COVID – 19 SUPPLY CHAIN AGILITY AND RESILIENCE

Sam Barrett & Preman Menon, *TheStar* (18 Oct 2021)

The COVID-19 pandemic has affected all businesses in one way or another. Its impact on China, the "world's factory", and the subsequent knock-on effect, have sent shockwaves through the supply chains of most companies, globally. There has been a huge slow-down in production and challenges have arisen around supply and logistics. This, together with the ongoing trade tensions between East and West, have forced companies to rethink their supply chain strategies in order to successfully navigate the evolving landscape.

Product shortages and capacity constraints in the shipping sectors are pushing supply chain heads to reconstruct their supply chains and seriously explore other local or regional supply chain networks. These disruptions have created a heightened interest in nearshoring (the transferring of a business operation to a nearby country from a more distant one) and omnishoring (a strategy involving multiple sourcing, manufacturing and supply locations according to products and end-demand markets).

For the past few years, many companies in the apparel sector have moved their production from China to Vietnam, following the attempts of many US-headquartered multinationals to decouple their supply chains from China. Now, many of these companies are facing immense challenges due to their overreliance on one key location for the manufacturing of core products. Companies in the automotive and electronics sectors have also experienced major supply chain disruptions in the region. The need for supply chain resiliency and agility is more prominent now than ever.

During the pandemic, the companies that survived and thrived were those that were agile; did not heavily rely on just one or two large manufacturing locations; and acted quickly to shift production capacity to alternative locations. It is clear that a company's agility and ability to evolve, were and are, key sources of competitive advantage.

In Asia, the ASEAN region is an attractive destination for nearshoring relocations for a range of functions including shared services, regional headquarters, logistics and manufacturing. Markets across the region offer a variety of incentive regimes to help companies address their nearshoring challenges, in relation to real estate, energy, customs duties and requirements, and corporate tax. Additionally, the impact of the COVID-19 pandemic on industries has been widespread and has accelerated shifts, particularly in supply chain models and towards digitalization.

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With different disruptive forces at play, executives know they cannot sit on the sidelines for long. They need to rethink their business models and transform their supply chains and how they do business. This resonates with the 2021 EY Global Capital Confidence Barometer that revealed that more than half (51%) of Asia-Pacific executives intend to pursue M&A in the next 12 months. Bolt-on acquisitions and acquisitions focused on increasing operational capabilities are high on the executives' list, with over 93% of respondents listing these as two of their priorities.

Companies that are rethinking their strategy around supply chain resilience and agility need to really think through these material changes and their impact on the broader business and its end-to-end supply chain. For example, what will be the tax, financial and legal implications of these changes? Where are incentives available, and how will this drive decisions on relocation? Are there systems and resources in place to be able to manage these changes? Digital transformation can play a role in speeding up these evolutionary changes. Fully understanding the current state of the business' supply chain is a key first step. Having an end-to-end supply chain, product visibility and digital tools that will allow stress testing under different worst-case scenarios, are crucial to future disruption-planning success.

Careful planning with the engagement of all key stakeholders in a collaborative process will help businesses to evolve into more resilient and agile organizations. It is also important to understand the interdependencies between, and impact across, all business functions and processes. Embedding technology into planning and strategy will create the foundation for a much more effective and efficient supply chain of the future that will empower the business to quickly respond to any future disruptions and mitigate any associated risks successfully.

In the upcoming Budget, we hope that the Malaysian Government will continue to prioritize on building talent capabilities and attracting foreign investment, in tandem with digital transformation. By offering additional incentives and grants in key focus sectors, and further developing policies that will help to attract foreign investment into the country, Malaysia will be well-placed to take advantage of current and future supply chain disruptions.

The impact of the COVID-19 pandemic on industries has been widespread and has accelerated shifts in supply chain models and towards digitalization. With continued focus on building talent capabilities and attracting foreign investment, in tandem with digital transformation, as well as developing targeted policies to support key sector growth, Malaysia will be well-placed to take advantage of current and future supply chain disruptions.

Source: Post-COVID-19 supply chain agility and resilience. TheStar. Retrieved from https://www.thestar.com.my/business/business-news/2021/10/18/post-covid-19-supply-chain-agility-and-resilience

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QUESTION 1

How COVID – 19 affects the Manufacturing industry in Malaysia? Elaborate **FIVE** (5) impacts. (20 marks)

QUESTION 2

The COVID – 19 pandemics is proving we need more "*Agile and Resilient Supply Chains*". Why? Highlight **FIVE** (5) points to support your justification. (20 marks)

QUESTION 3

Discuss **FIVE** (5) strategies organization become more "*Resilient*" to manage disruption caused by COVID – 19. (20 marks)

QUESTION 4

COVID – 19 proves that companies must move supply chains further from China. Why? Describe **FIVE** (5) points to justify your answer. (20 marks)

QUESTION 5

Based on the article (paragraph – 8), Sam Barrett and Preman Menon mentioned that:

"Embedding technology into planning and strategy will create the foundation for a much more effective and efficient supply chain of the future that will empower the business to quickly respond to any future disruptions and mitigate any associated risks successfully".

Explain **FIVE** (5) ways how digital technology helped businesses during and post COVID – 19. (20 marks)

(Total: 100 marks)

End of Paper